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DEPT FOR NEA/ELA

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TAGS: [ECON](#) [ETRD](#) [EFIN](#) [PGOV](#) [SOCI](#) [EG](#)
SUBJECT: EGYPT IMPLEMENTS NEW REAL ESTATE TAX

Classified By: ECPO Minister-Counselor Donald A. Blome for Reasons 1.4 (b) and (d).

- 1.(U) Key Points: - A new Egyptian real estate tax will come into effect in 2010, replacing a system in place since 1954. - The new tax system
- 2.(U) Beginning in 2010, Egypt has a new real estate tax system. The implementation new tax is the culmination of a two-year effort by Egyptian
- 3.(U) The tax declaration forms are easily obtained at no charge from tax offices or they can be downloaded from the Ministry of Finance websit
- 4.(U) Once the forms have been submitted, property valuations will be based on a number of factors including location, view, construction quali
- 5.(U) The new property tax will be assessed at a flat rate of 10% of "taxable value." Taxable value is equal to "rentable value" less 30% for n
- 6.(U) An important element of the new tax is that it will be levied not only against completed buildings but also against projects under constr
- 7.(U) Exempted from the tax will be the several million apartments that are "rented" under the Nasser-era rent control system under which rente
- 8.(U) Despite the expanded tax base, the vast majority of Egyptians will be exempt from the tax. Tarek Farag, Chairman of the Egyptian Real Est
- 9.(U) The new tax was supposed to have been applied retroactively to the beginning of 2009, but Finance Minister Youssef Boutros-Ghali delayed
- 10.(U) Complaints regarding the new tax have centered on poor service at the various tax offices throughout the city, and there have been isol
- 11.(C) Econoff visited the main property tax office in Cairo and witnessed crowds and long lines for service, but nothing that seemed atypical
- 12.(U) Some opponents of the tax, including Ashraf Badr, an "independent" Member of Parliament affiliated with the Moslem Brotherhood, have sug
- 13.(SBU) Despite some fits and starts, it appears that the new real estate tax will come on line this year. As with the income tax, the new sys